



CPUC Public Agenda 3306

Thursday, December 20, 2012, 9:00 a.m.
San Francisco, CA



Commissioners:
Michael R. Peevey
Timothy Alan Simon
Michel Peter Florio
Catherine J.K. Sandoval
Mark J. Ferron





Safety and Emergency Information

- The restrooms are located at the far end of the lobby outside of the security screening area.
- In the event of an emergency, please calmly proceed out of the exits. There are four exits total. Two exits are in the rear and two exits are on either side of the public speakers area.
- In the event of an emergency and the building needs to be evacuated, if you use the back exit, please head out through the courtyard and down the front stairs across McAllister.
- If you use the side exits you will end up on Golden Gate Ave. Please proceed around the front of the building to Van Ness Ave and continue on down to the assembly point.
- Our assembly point is between the War Memorial Building and the Opera Building (House) which is on Van Ness Ave, located between McAllister and Grove.





Public Comment

- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President, depending on the number of speakers the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.

The following items are NOT subject to Public Comment:

- Item: 5, 10, 22 & 43
- All items on the Closed Session Agenda





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- Once called, each speaker has up to 2 minutes to address the Commission.
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- A bell will ring when time has expired.

The following items are NOT subject to Public Comment:

- Item: 5, 10, 22 & 43
- All items on the Closed Session Agenda





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Agenda Changes

- Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.
- Items on Today's Consent Agenda are: 1, 2, 4, 6, 7, 10, 11, 12, 13, 14, 15, 16, 18, 19, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46 & 47
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
Items: 54, 56, 62 & 63 from the Regular Agenda have been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
Item: None have been moved to the Regular Agenda.
- Item: None have been withdrawn.
- The following items have been held to future Commission Meetings:

Held to 1/10/13: 3, 5, 8, 9, 17, 20, 21, 22, 24, 57, 58, 58a, 60 & 61

Held to 1/24/13: 48 & 48a





Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov.
- Late changes to agenda items are available on the Escutia Table.





Regular Agenda – Energy Orders

Item #49 [11654] Wildfire Expense Balancing Account

A09-08-020

Application of San Diego Gas & Electric Company, Southern California Edison Company, Southern California Gas Company and Pacific Gas and Electric Company for Authority to Establish a Wildfire Expense Balancing Account to Record for Future Recovery Wildfire-Related Costs.

Ratesetting

Comr. Simon/ Judge Bushey

PROPOSED OUTCOME:

- Denies the request of San Diego Gas & Electric Company and Southern California Gas Company for a Wildfire Expense Balancing Account.
- Dissolves the Wildfire Expense Memorandum Accounts authorized in Resolution E-4311.
- Closes the proceeding.

ESTIMATED COST:

- None.





Regular Agenda – Energy Orders

Item #49a [11667] ALTERNATE TO ITEM 11654

A09-08-020

Application of San Diego Gas & Electric Company, Southern California Edison Company, Southern California Gas Company and Pacific Gas and Electric Company for Authority to Establish a Wildfire Expense Balancing Account to Record for Future Recovery Wildfire-Related Costs.

Comr. Simon

PROPOSED OUTCOME:

- Authorizes San Diego Gas & Electric Company and Southern California Gas Company to record in a balancing account 90% of uninsured payments that are in excess of \$10 million per wildfire where:
- Those payments are made in inverse condemnation.
- There has been a finding by a court or this Commission that the utility was not at fault.
- Denies the utilities' requests to record other wildfire costs in a Wildfire Expense Balancing Account.
- This proceeding remains open.

ESTIMATED COST:

- Not determined.





Regular Agenda – Energy Orders

Item #50 [11661] Decision Mandating the Pipeline Safety Implementation Plan

R11-02-019

Order Instituting Rulemaking on the Commission's Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms.

Ratesetting

Comr. Florio/ Judge Bushey

PROPOSED OUTCOME:

- Approves Pacific Gas and Electric Company's (PG&E) Implementation Plan to pressure test 783 miles of natural gas pipeline, replace 186 miles, upgrade 199 miles to allow for in-live inspection, and install 228 automated valves.
- Disallows \$795.1 million of PG&E's requested \$1,963.2 million rate request.
- Reduces PG&E's return on equity for these investments to 6.05% due to management inefficiency and ineffectiveness.

ESTIMATED COST:

- \$277,805,000.





Regular Agenda – Energy Orders

Item #51 [11700] Lawrence Livermore National Laboratory's Research Fund Agreement

A11-07-008

Application of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company for Authority to Increase Electric Rates and Charges to Recover Costs of Research and Development Agreement with Lawrence Livermore National Laboratory for 21st Century Energy Systems.

Ratesetting

Comr. Peevey/ Judge Sullivan

PROPOSED OUTCOME:

- Grants authority to recover costs of research and enter into a research contract.
- Establishes governance structure & sets policies guiding research.
- Establishes a Tier 3 advice letter process for reviewing research.
- Closes the proceeding.

ESTIMATED COST:

- \$152.19 million.





Regular Agenda – Energy Orders

Item #52 [11730] Prioritization of the Energy Efficiency Incentive Reform

R12-01-005

Order Instituting Rulemaking to Reform the Commission's Energy Efficiency Risk/Reward Incentive Mechanism.

Ratesetting

Comr. Ferron/ Judge Pulsifer

PROPOSED OUTCOME:

- Determines not to expend further resources to devise and implement an energy efficiency incentive mechanism for the 2010-2012 cycle.
- Prioritizes efforts to address incentive reform for 2013-2014.

ESTIMATED COST:

- None.





Regular Agenda – Energy Orders

Item #52a [11731] ALTERNATE TO ITEM 11730

Comr. Ferron

PROPOSED OUTCOME:

- Adopts Energy Efficiency Incentive Mechanism for the 2010-12 Portfolio for Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company.
- The Incentive Mechanism consists of a management fee (for 5% of Energy Efficiency Expenditures) and a performance bonus for up to 1% of Energy Efficiency Expenditures (based on compliance and implementation of lock-down of ex ante parameters).
- Disburses approximately \$42.2 Million Awards for 2010 Energy Efficiency Programmatic Activities.
- Establishes expedited processing for subsequent incentive payment claims for 2011 and 2012.

ESTIMATED COST:

- Approximately \$42.2 Million applicable to incentive payments covering 2010.
- Additional costs for 2011 and 2012 incentive payments are not yet determined.





Regular Agenda – Energy Orders

Item #53 [11733] Cap-and-Trade Greenhouse Gas Allowance Revenue Allocation Methodology for the Investor-Owned Electric Utilities

R11-03-012

Order Instituting Rulemaking to Address Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions.

Ratesetting

Comr. Peevey/ Judge Hecht, Judge Semcer

PROPOSED OUTCOME:

- Adopts a methodology for allocating greenhouse gas allowance revenues received by California's investor-owned utilities, including small and multi-jurisdictional utilities, as part of California's Cap-and-Trade Program.

ESTIMATED COST:

- Estimated revenues available for distribution range from \$5.7 to \$22.6 billion between 2013 and 2020.





Regular Agenda – Energy Orders

Item #55 [11736] Pacific Gas and Electric Company's Amended Purchase and Sale Agreement With Contra Costa Generating Station LLC

A12-03-026

Application of Pacific Gas and Electric Company for Approval of Amended Purchase and Sale Agreement Between Pacific Gas and Electric Company and Contra Costa Generating Station LLC and for Adoption of Cost Recovery and Ratemaking Mechanisms.

Ratesetting

Comr. Peevey/ Judge Yacknin

PROPOSED OUTCOME:

- Denies Pacific Gas and Electric Company's application for approval of the amended agreement with Contra Costa Generating Station LLC for the purchase and sale of the Oakley Generating Station.
- Closes the proceeding.

ESTIMATED COST:

- None.





Regular Agenda – Energy Orders

Item #55a [11737] ALTERNATE TO ITEM 11736

Comr. Peevey

PROPOSED OUTCOME:

- Approves Pacific Gas and Electric Company's application for approval of its amended purchase and sale agreement with Contra Costa Generating Station LLC for the Oakley Generating Station.
- Closes the proceeding.

ESTIMATED COST:

- Confidential at this time.





Regular Agenda – Energy Orders

Item #57 [11755] Establishes a Compression Services Tariff Subject to Certain Ratepayer Protections and Rules to Ensure Fair Competition

A11-11-011

In the Matter of the Application of Southern California Gas Company to establish a Compression Services Tariff.

Ratesetting

Comr. Simon/ Judge Sullivan

PROPOSED OUTCOME:

- Authorizes Southern California Gas Company to file a compression services tariff subject to certain restrictions.
- Closes the proceeding.

ESTIMATED COST:

- No cost to ratepayers.





Regular Agenda – Communication Orders

Item #59 [10844] Revisions to Basic Telephone Service

R09-06-019

Order Instituting Rulemaking Regarding Revisions to the California High Cost Fund B Program.

Quasi-Legislative

Comr. Peevey/ Judge Pulsifer

PROPOSED OUTCOME:

- Adopts an updated definition of basic telecommunications service offered by any carriers of last resort.
- The revised definition is designed to:
- Consolidate and streamline existing listings of service elements.
- Apply technology-neutral terminology and definitions.
- Avoid degrading standards necessary to meet essential universal service needs.

ESTIMATED COST:

- No specific cost changes anticipated in basic rates.





Regular Agenda – Communication Orders

Item #59a [11471] ALTERNATE TO ITEM 10844

Comr. Florio

PROPOSED OUTCOME:

- Updates and consolidates requirements for residential basic telephone service for telephone corporations offering basic service. Substantive differences between the Alternate Proposed Decision (APD) and Revision 5 of the Proposed Decision exist in the following areas:
- The APD establishes tariff filing requirements.
- The APD requires that basic service be offered at monthly rates with no contracts, and on a stand-alone basis unless an exemption is obtained, but also allows other options.
- The APD requires that all basic service providers provide a dependable voice-grade connection to the public telephone network, with compliance requirements depending on the technology used.
- The APD requires that all incoming calls be provided without per-minute or per-call charges.
- In addition to flat rate basic service for calling within specified geographic areas, the APD requires some basic service providers, and allows the others, to offer measured rate service in the same geographic areas.
- The APD requires 911/Enhanced 911 location accuracy and reliability comparable to that required of existing wireline carriers.
- The APD requires that customers be allowed to choose, without charge, whether to have a listing included, or not, in a White Pages directory and/or directory assistance.
- The APD retains access to operator services as a separate element of basic service.
- The APD retains free access to 800 and 8YY toll-free services, with no per-minute or per-call charges.
- The APD defers service quality issues for all basic service providers to Rulemaking 11-12-001. In the meantime, basic service providers using non-traditional technologies must meet service quality requirements applicable to Uniform Regulatory Framework Carriers of Last Resort.

ESTIMATED COST:

- No specific cost changes anticipated in basic rates.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #64 [11762]

**Report and Discussion by Consumer Protection
and Safety Division on Recent Safety Program
Activities**





Management Reports





The CPUC Thanks You For Attending Today's Meeting

The Public Meeting is adjourned.

The next Public Meeting will be:

**January 10, 2013, at 9:00 a.m.
in San Francisco, CA**

